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House Committee Activity: March 24 - 26, 2003

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Transportation

Matt Barnes

Agriculture
Commerce

Paige Edwards

Judiciary

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State and Local Government

Cathy Higgins

Finance, Ways and Means

Pam Mason

Education

Judy Narramore

Health and Human Resources

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Representatives Harmon, Walker, Armstrong and Shepard listen to discussion during a meeting of the TennCare Oversight Committee on Monday, March 24th. There was a presentation by Gordon Bonnyman, managing attorney for the Tennessee Justice Center on current litigation affecting the program. At the next meeting on Monday, March 31st, TennCare Oversight's Pharmaceutical Work Group will discuss pharmacy benefit management.

Agriculture

Matt Barnes

The **Agriculture Committee** met Tuesday, March 25 with two bills on notice. **HB 1222** (Turner, M.), which enacts the Tennessee Commercial Aerial and Ground Spraying Protection Act, was taken off notice. **HB 987** (Roach), which designates the tomato as the official state fruit, passed to Calendar and Rules after some debate as to the accuracy of calling the tomato a fruit. It was explained that if it grows on a vine, it is a fruit. Further, it was brought out that Tennessee ranks fourth in the nation in the growing of tomatoes and that it is the only fruit in Tennessee grown in all 95 counties.

Ken Givens, Commissioner of the Department of Agriculture, began a presentation for the committee by saying the Department of Agriculture is "alive and well." Commissioner Givens gave a preview of the Department's budget hearing scheduled for Thursday, March 27. He stated the Department has made the requested 9% cuts primarily by abolishing twenty vacant positions at a savings of \$1.6 million.

Former Commissioner Dan Wheeler, now Director for the Center for Profitable Agriculture, was scheduled to give a presentation on his center's endeavors but agreed to come back at a later date due to lack of time remaining in the committee. Mr. Wheeler did, however, express support for **HB 987**.

Children & Family Affairs

Shannon Romain

On Tuesday the **Children and Family Affairs Full Committee** and the **Family Justice Subcommittee** met.

Family Justice Subcommittee

In the subcommittee, there were three bills on the calendar. **HB 1997** (Rep. Chumney) was referred to the full committee. If adopted with the recommended amendment in the full committee, the bill will repeal the Tennessee Interstate Compact for Juveniles, a nationally recognized, congressionally ratified, set of procedures used to expedite the return of juveniles who have escaped, absconded, or run away to other states.

HB 0573 (Rep. Fowlkes), the Power of Attorney for Care of a Minor Child Act, was deferred one week. The bill will permit a parent or legal guardian to execute a power of attorney that delegates care-giving authority to any competent adult who is a Tennessee resident.

Domestic Relations Subcommittee

The **Domestic Relations Subcommittee** met on Wednesday. **HB 1731** (Rep. Garrett) was referred to the full committee. If amended, the bill designates the circuit or chancery court as the court of competent jurisdiction to petition for grandparent visitation.

The Full Committee

In the full committee, three bills were referred to Calendar and Rules. Two of the bills make additions to the list of persons who may solemnize marriages. As amended, **HB 1732** (Rep. Garret) and **HB 0567** (Montgomery) permit juvenile court clerks and former county commissioners, respectively, to solemnize marriages. **HB 1316** (Rep. Brenda Turner) requires prospective kinship foster care parents to supply fingerprint samples and to submit to a criminal history records check conducted by the Tennessee and Federal Bureaus of Investigation prior to taking custody of foster children.



Vice-Chair DeBerry, Chairlady Chumney

Commerce

Matt Barnes

The Full Committee

The **Commerce Committee** addressed four bills in its Tuesday, March 25 meeting. **HB 1283** (Odom) states that the purchaser of real property shall obtain a wood destroying insect infestation report ("termite letter") before purchasing the property, as opposed to current practice that allows the seller to obtain the report. An amendment rewrites the bill and clarifies that if the purchaser of real property seeks financing on the property and the lender requires the report or if required by contract, the purchaser of the property shall obtain the report. The bill passed as amended to Calendar and Rules.

HB 0758 (Hargrove) permits insurers to give certain preferences in coverage based on membership in a professional association with over 5,000 members residing or practicing in at least 80 counties. The Industrial Impact Subcommittee earlier adopted an amendment to the bill that deleted the entire section of the Code affected and removed the prohibition against making certain insurance preferences, but the amendment failed in the full committee. After a show of support from Paula Flowers, Commissioner of the Department of Commerce and Insurance, the bill passed to Calendar and Rules without the amendment.



Chairman Hargrove

HB 1273 (Curtiss) makes changes to the prompt payment statute. It allows an HMO to send a healthcare provider a written or electronic notice that a claim has been paid or denied. Present law states if a provider is notified that a claim is partially or totally denied, the provider may submit the claim to an independent reviewer. This bill would allow the provider to submit the claim to an independent reviewer if no notice is received within 60 calendar days of the HMO's receipt of the claim. Further, under present law the mere fact that a claim is not paid does not create a common substantive question of fact or law; this bill holds otherwise and was passed to Calendar and Rules.

HB 1250 (McMillan) changes the title of Tennessee Regulatory Authority "Director" to Tennessee

Regulatory Authority "Commissioner" and directs the Tennessee Code Commission to make all necessary changes to the Code. The bill was passed to Calendar and Rules.

Industrial Impact Subcommittee

The **Industrial Impact Subcommittee** met Tuesday, March 25 with five bills on the calendar. Two were taken off notice and three rolled.

HB 1717 (Odom) and **HB 0022** (Turner, M.) were taken off notice. **HB 0211** (Turner, M.), rolled two weeks, makes it an unfair and deceptive practice to charge a consumer for issuing an insurance declination letter. **HB 0792** (McKee), rolled one week, revises provisions related to county mutual fire insurance companies. **HB 1246** (Chumney), also rolled one week, prohibits insurers that provide coverage to a spouse of a plan member from automatically terminating that coverage for the spouse or dependent children in the event of divorce or death.

Utilities and Banking Subcommittee

The **Utilities and Banking Subcommittee** met Tuesday, March 25 with ten bills on notice. **HB 0824** (Head) has an amendment that rewrites the bill and clarifies that special rates and terms negotiated between public utilities *that are telecommunication providers* and business customers shall not constitute price discrimination. The amendment also allows the TRA to bring an action to set aside the special rates. The bill passed as amended to full committee.

HB 1745 (Fitzhugh) extends the reporting deadline of the special joint committee created to analyze predatory lending to February 28, 2004. The bill passed to full committee.

HB 0742 (Fitzhugh) establishes provisions regarding demand drafts, or unsigned authorized instruments, which have become increasingly popular in telephone-generated transactions involving telemarketers. Under the bill, the liability for the unauthorized draft would shift from the payor bank to the depository bank, which would have recourse against the telemarketer that initiated the transaction. The bill passed to full committee.

HB 0882 (Hood), which adds International Building and International Fire Codes to the lists of codes that may be adopted by local governments, passed to full committee.

HB 1600 (West) reduces from seven to three years the amount of time a bankruptcy can prevent a person from becoming a collection agency location manager. The bill was rolled one week.

HB 0021 (Turner, M.), which enacts the Tennessee Predatory Lending Prevention Act, was taken off notice, and **HB 0417** (McDaniel), which requires all utility operators to belong to the one-call service for receipt of notifications of excavation or demolition operations, was rolled one week.

HB 1719 (Curtiss) prohibits home improvement contractors and other persons who supply materials or services in the improvement of real property from making mortgage loans or of being mortgage loan brokers. An amendment to the bill corrects a Code citation. The bill passed to full committee as amended.

HB 1066 (Hargrove) extends the period of time for disposing of repossessed personal property from six months to one year and deletes the restriction on check cashing charges held invalid by a federal district court. The bill passed to full committee.

HB 0933 (Hargrove) prohibits the unauthorized use of financial institution logos or names and prevents false representations of financial institution endorsements of product advertisement. The bill passed to full committee.

Small Business Subcommittee

The **Small Business Subcommittee** met on Wednesday, March 26 with five bills on calendar, rolling all but one.

HB 0976 (Bowers) transfers the administration of Title V of the federal Older Americans Act, which deals with the employment of older workers, from the Commission on Aging and Disability to the Tennessee Department of Labor and Workforce Development. After several questions were raised about the transfer of duties and concern expressed over the possible weakening of the Commission on Aging and Disability, the committee went into recess to hear from Michael Warnsley, Home Health of Memphis, and Charles Hewgley, Assistant Director for the Commission on Aging and Disability. The bill was rolled one week at the Subcommittee's request.

HB 0949 (Tidwell) and **HB 1595** (West) were rolled one week, while **HB 1986** (Head) was rolled two weeks.

HB 0542 (Ferguson) passed as amended to full committee. The amendment rewrites the bill, stating the license of a broker, time-share salesperson or acquisition agent who fails to deliver all documentation and pay all renewal fees no later than sixty days prior to the expiration of the license shall not be renewed until a penalty fee is paid and all documentation delivered.

Study Committee on Plumbers Licensing

A study committee commissioned to review the licensing of plumbers met on Monday, March 24. The committee is chaired by Rep. Curtiss and is otherwise made up of Reps. McKee, Stanley, McCord, and Shepard. Benji Sneed, president of a Memphis plumbing association, argued before the committee in favor of a licensing plan that provides for a schedule to become a journeyman, apprentice, and eventually a master plumber. He claimed current law allows a person essentially to become a master plumber immediately upon passing a test, which an association guarantees the passing of immediately upon the taking of its seminar. Such inadequacies, according to Sneed, affect the safety, health and welfare of Tennesseans. Phyllis Blevins of the State Contractor's Board claimed the Board has received very few complaints on jobs costing over \$25,000 and that it has received no complaints on jobs costing under \$25,000 because those jobs are subject to city codes. Chairman Curtiss claimed, however, that there are rural areas never regulated at all. In such situations, the homeowner has no recourse for faulty work, according to Chairman Curtiss. The committee decided not to meet next week but will meet the following week at 2:00 on Monday, April 7 in LP 31. It welcomes anyone wishing to speak to this issue.

Conservation & Environment

Greg E. Adkins

The Full Committee

The **Full Environment Committee** met on Tuesday, March 25, 2003 and considered two bills. **HB 1032** by Rep. Rinks passed to FW&M; the bill adds Benton, Decatur, and Hardin counties to the West Tennessee River Basin Authority and clarifies



Chairman Garrett

that the term for each board member of the authority be increased to six years (the current term is four years).

HB 1796 by Rep. Walker passed to C&R with an amendment. The amended bill would authorize the use of snare traps in Bledsoe and Sevier Counties. The amendment actually names Bledsoe and Sevier Counties instead of referring to the population of the county. (The snare trap is generally used to trap coyotes.)

The Wildlife Subcommittee

The **Wildlife Subcommittee** met on March 25, 2003 and considered one bill. **HB 26** by Rep. Turner (Davidson) was rolled to 2004. The bill prohibited the use of elephants at circuses in Tennessee.

The **Parks & Tourism Subcommittee** didn't meet the week of March 24th.

The **Environment Subcommittee** didn't meet the week of March 24th.

Consumer & Employee Affairs

Shannon Romain

The Full Committee

The **Consumer and Employee Affairs Full Committee** met this week with two bills on the calendar. **HB 0456** (Rep. Coleman) was referred to Calendar and Rules. The workers' compensation bill limits the review of the validity of an employee's refusal to return to work following a medical release to a court of competent jurisdiction. It revokes the authority of county executives to conduct such reviews. According to the sponsor of the bill, the addition of county executives in the law at the time it was originally enacted was an oversight and, historically, the commissioners have rarely exercised their authority to review such claims.

HB 1945 (Rep. Hargrove) was referred to Finance, Ways and Means. The bill requires stocks turned over to the state as unclaimed property to be sold within twelve months. Stocks with a market value of less than \$500 may be sold immediately and the state would not be required to advertise the sale. In the event a claimant proves a legitimate interest in the stocks, the claimant would only be entitled to receive the proceeds from the sale of the stocks. The fiscal note on the bill projects a

one-time expenditure of less than \$100,000. However, if passed, the legislation is expected to save the state approximately \$45,000 annually in custodial fees.

The **Consumer Affairs** and the **Employee Affairs Subcommittees** did not meet this week.

Education

Pam Mason

The Full Committee

In its Wednesday meeting, the full committee took the following action.

Referred to Calendar and Rules:

HB 455 - (Turner, L.) requires a K-12 public school teacher serve on the State Board of Education. This legislation does not increase the size of the Board.

Deferred for one week:
HB 1655

Taken off notice:
HB 895

There were three presentations after consideration of the calendar.

Jennifer Siler, Director of the University of Tennessee Press, discussed the Tennessee Encyclopedia.

Commissioner Lana Sievers, Department of Education, and Dr. Douglas Wood, State Board of Education, gave an update on teachers' salary equity.

Report from four members of the College Board.

K-12 Subcommittee

In its meeting on Tuesday, all bills on the calendar were deferred.

Deferred for one week:
HB 252
HB 898
HB 995
HB 1175
HB 1639

Deferred for two weeks:
HB 1925

Deferred for three weeks:
HB 203
HB 1841
HB 1923

Higher Ed Subcommittee

One bill on the calendar was recommended to the full committee as amended.

HB 303 - (McMillan) as amended, would require incoming students, at all public and private institutions of higher learning, to complete a waiver regarding meningococcal disease. This waiver will indicate the student has been given detailed information on the disease, availability and effectiveness of the vaccine, and if the student has chosen to receive a vaccination. In addition, if the student has received the vaccine, the date of such must be submitted.



*Chairlady Brown
Higher Education Committee*

Further subcommittee action is as follows:

Deferred for one week:
HB 1421
HB 550
HB 808

Deferred for two weeks:
HB 1998

Finance, Ways & Means

Cathy Higgins

**The Full Committee
Tuesday, March 25, 2003**

The full committee had fourteen bills on calendar this week. The Consent calendar included four highway sign bills and since there were no objections all were referred to Calendar and Rules.

HB 0257 (Shepard) and HB 1980 (Head) were referred to Budget Subcommittee.

The following bills were referred to Calendar and Rules:

- **HJR 0097** (Jones, U) from the Council on Pension and Insurance, requires the council to study Deferred Retirement Option Plans (DROP). Findings and recommendations of the council are to be reported by February 1, 2004.
- **HB 1483** (Fitzhugh) deletes from statute duplicative reports submitted by public depositories to the Treasury.
- **HB 0778** (Casada) recommended by the Council on Pension and Insurance, includes the Professional Educators of Tennessee (PET) among the list of associations whose administrative employees may participate in the Tennessee Consolidated Retirement System. Like other associations, all costs related to participation in TCRS will be the responsibility of PET.
- **HB 0744** (Fowlkes) from State and Local Government changes the designation of "county executive" to "county mayor".
- **HB 0900** (Head) from the Transportation Committee, authorizes, but does not mandate, the Department of Transportation to reimburse utility companies for the cost of utility relocation due to a road project. The cost will be included in the construction project and this legislation will only apply to federal and state highways.
- **HB 0251** (Casada) amends statute to clarify that bee hobbyists who sell less than 150 gallons of honey per year are exempt from regulations applicable to other retail food stores.

Treasurer Steve Adams continued with his presentation from last week. He began by discussing the impact the property insurance program is having on the State. The State's premiums have increased from \$895,000 to \$1.4 million (57% increase) and is now limited to a policy limit of \$200 million, per occurrence. Previously, the State did not have policy limits on occurrences. This does raise some concerns due to the high concentration



Chairman Head in Committee

of values located at various geographical sites across the State. The State was also unable to obtain earthquake insurance for the current fiscal year due to limited markets and outrageous pricing. Terrorism insurance was available; however, the cost for this single coverage equaled the State's total property insurance premium paid the previous year and therefore was cost prohibitive.

For the coming fiscal year, 2003-04, the picture does not look any better. The State's current carrier has reorganized and closed its Nashville office and as a result the State has lost its agent. With that loss goes the history of Tennessee's coverage. The Governor budgeted a 25% increase in the minimum rate for fiscal year 2003-04. There are some alternatives which include increasing the deductible from \$5 million to \$15 - \$25 million range which may provide some bargaining power within the insurance market. Mr. Adams noted that there has only been one time in the last 15 years when the State exceeded the \$5 million deductible and that was the year of the tornadoes (1999).

The Claims Award fund funds all costs related to the State's waiver of sovereign immunity. The fund has seen a substantial increase in workers' compensation claims mainly from expensive medical claims rather than a dramatic increase in the number of claims. There have been substantial growth rates in hospital-outpatient payments, physical therapy payments, and pharmacy payments. Based on the actuarial study, a recommendation has been made to increase the premium amount by \$9.7 million; the general fund share is approximately \$4.6 million. Mr. Adams noted that what the Claims Award fund is experiencing is being experienced in all sectors of the economy not just the State.

Unclaimed property received over 138,000 properties in 2002 and returned 22,109 valued at \$12.9 million. The Department would like to see more properties claimed by the public and invited all members to check the Treasurer's Website for unclaimed property.

The Baccalaureate Education System Trust (BEST) is a prepaid college tuition plan that provides citizens with the opportunity to prepay college tuition by purchasing tuition units now to be used at a later date. By allowing citizens to pay for future tuition at today's price, the plan's goal is to help ease their concerns about paying for their children's college education. Mr. Adams expressed his concern with the recent trend in tuition inflation. For the current year tuition increased 7.37

percent, last year the increase was 13 percent and the year before 9 percent.

Budget Subcommittee **Wednesday, March 26, 2003**

Budget Sub met to discuss 15 bills on calendar. Several of the bills were rolled to future calendars, at the sponsors' request. House Bill 0208 by Rep. Mike Turner was taken off notice at the sponsor's request.

The following bills were referred to full committee.

- **HB 0229** by Rep. Garrett from Transportation provides for a highway sign for Nossi College of Art. As amended in Transportation, the cost will be borne by local entities.
- **HB 0661** by Rep. Harry Brooks from Transportation authorizes a new license plate for Alpha Delta Pi Sorority. Revenue from the new license plate, once all requirements are met, allocates 50 percent to benefit the Ronald McDonald House Charities, 40 percent to the Tennessee Arts Commission, and 10 percent to the Highway Fund.
- **HB 1023** by Rep. Fowlkes is modeled after an Indiana law and requires a motorist to make a lane change, if possible, and reduce speed if approaching a stationary emergency vehicle with emergency flashing lights, a stationary recovery vehicle or a stationary highway maintenance vehicle. The legislation also adds a Class C misdemeanor for any violations.

Government Operations

Brian Zuzenak

The **Government Operations** committee met at 10:30 on Tuesday to consider twenty-three pieces of legislation.

The following bills were rolled one week:

HB 0253 (Stanley) requires license suspension of an at-fault driver that hits a pedestrian minor.

HB 1790 (Rowland) requires an applicant to provide a social security number or INS documentation for a driver's license.

HB 0484 (Winningham) allows full-time teachers to attend one course per term at any state-supported institution of higher education without charge.

HB 1244 (Chumney) enacts "Tennessee Children's Product Safety Act of 2003."

HB 1462 (Chumney) enacts "Tennessee Environmental Policy Act of 2003."

HB 1860 (Kernell) requires safety plan for use of indoor pyrotechnics.

HB 1634 (West) was rolled two weeks. It revises licensure and disciplinary actions of polygraph examiners.

HB 1553 (Jones) was rolled three weeks. It requires board for licensing health care facilities to investigate allegations made against hospitals about unreasonably detaining ambulances.

HB 1632 (West) was taken off notice. It enacts "Medical Imaging and Radiation Therapy Quality Assurance Act of 2003."

The committee then heard the twelve Community Service Agencies that are not currently under the sunset law. The Office of the Comptroller recommended that the sunset dates be staggered so that they would be able to take a thorough look at each agency. All twelve bills were referred to Calendar & Rules with the termination date amended as appropriate.

Not amended. Will terminate on June 30, 2005:

HB 1543 (Kernell) Northwest community service agency

HB 1538 (Kernell) Shelby County community service agency

HB 1517 (Kernell) Southwest community service agency

Amended to terminate June 30, 2006:

HB 1548 (Kernell) Davidson County community service agency

HB 1505 (Kernell) Mid-Cumberland community service agency

HB 1490 (Kernell) South Central community service agency

HB 1510 (Kernell) Upper Cumberland community service agency

Amended to terminate June 30, 2007:

HB 1503 (Kernell) East community service agency

HB 1550 (Kernell) Hamilton County community service agency

HB 1508 (Kernell) Knox County community service agency

HB 1516 (Kernell) Northeast community service agency

HB 1531 (Kernell) Southeast community service agency

HB 1530 (Kernell) was referred to Commerce as amended. It creates the Tennessee Commission on Indian affairs. An amendment prohibits the use of state funds for the Commission unless specifically appropriated.

Health & Human Resources

Judy Narramore

The Full Committee

The **Health & Human Resources Committee** met Tuesday, March 25 with eight bills on the calendar. **HB 0678** by Rep. Shaw as amended, which authorizes a physician serving as a U.S. Public Health Service Commissioned Officer who is trained as a National Health Service Corps Ready Responder to practice medicine at federally qualified health centers while pursuing licensure to practice medicine in Tennessee, was referred to C&R. The amendment makes the authority granted by this bill conditional on the physician applying for licensure, submitting written documentation to the Board that the physician's licenses are unencumbered, complying with Board rules governing the application process, and ceasing to practice until a license is subsequently granted should the initial application be closed. **HB 1069** by Rep. Godsey, which allows an EMT-P to be licensed as an EMT by submitting an application to the EMS Board and completing any training the Board deems necessary, was discussed and rolled one week at the request of the committee. **HB 1158** by Rep. Coleman was referred to C&R. **HB 1158** defines *psychiatrist* as a physician who has completed a residency in psychiatry and whose practice is primarily limited to psychiatry. This bill also authorizes a community mental health center to employ a psychiatrist and requires a written contract, job description, or documentation that allows the psychiatrist to use independent medical judgment in diagnosing and treating patients. **HB 0264** and **HB 1769** by Rep. Shepard were referred to C&R. **HB 0264** as amended authorizes a sole practice therapist (physical, occupational or speech therapy) to provide in-home services without being licensed as a home health service when such services are within the scope of the therapist's license and incidental to services provided by the

therapist in the office. **HB 1769** allows psychological examiners and senior psychological examiners to practice psychotherapy behavior analysis techniques. **HB 0544** by Rep. Ferguson concerning nursing home surveyors was rolled two weeks by the sponsor. **HB 1383** by Rep. Overbey, which requires hospitals to submit a complete and accurate joint annual report to the Department of Health in a timely manner, was referred to C&R. **HB 0913** by Rep. Hargett was referred to FW&M on a roll call vote of 15-3-1. This bill makes three changes to current law regarding the Board of Optometry, i.e., requires optometry applicants to graduate from a school approved by the Board, revises conflict of interest provision for Board members, and increases Board members' per diem from \$50 to \$100.

Mental Health Subcommittee

The **Mental Health Subcommittee** had no bills on notice and did not meet.

Professional Occupations Subcommittee

The **Professional Occupations Subcommittee** met Wednesday morning with three bills on calendar. **HB 1644** by Rep. West concerning exemption of pharmacy technician license fees failed for lack of a motion. Rep. McCord rolled **HB 1906** concerning DNR orders to the last calendar. **HB 1116** by Rep. Shepard would prohibit a manufacturer, wholesaler, or retailer of ophthalmic materials from directly or indirectly controlling or attempting to control the professional judgment, manner of practice, or practice of an optometrist, including leases, contracts, professional operations, and restrictions on scope of practice. This bill was discussed briefly by the sponsor and subsequently rolled one week at the request of the committee.

Public Health & Family Assistance Subcommittee

Wednesday morning, the **Public Health & Family Assistance Subcommittee** met to consider six bills. **HB 2042** by Rep. Armstrong as amended, which includes third party payors or health insurance entities regulated by the Department of Commerce and Insurance and self-insured entities as entities authorized to share information regarding a child's immunization record, was referred to full committee. Rep. M. Turner took **HB 0013** (home- and community-based services waiver) and **HB 0030** (career ladder wage incentive program for childcare providers) off notice and rolled **HB 0669** (wheelchairs) one week in order to draft a new amendment. Rep. Bowers rolled **HB 0442** two weeks for purposes of drafting amendatory language. Rep.

Bowers presented **HB 0975** concerning services provided by the Commission on Aging and Disability. Every member of the committee commented on this piece of legislation and the committee went into recess to hear from Charles Hewgley, Commission on Aging and Disability, Michael Warmesley, Senior Services, and Brian McGuire, AARP. After considerable discussion and debate, including a request by Rep. L. DeBerry that a public hearing be scheduled, Rep. Bowers rolled the bill two weeks.

Health Care Facilities Subcommittee

The **Health Care Facilities Subcommittee** met at noon on Wednesday with two bills on the calendar. Rep. U. Jones took **HB 1554** (CON exemptions) off notice. **HB 1087** by Rep. L. DeBerry concerning CON requirements was rolled one week.

Judiciary

Paige Edwards

Criminal Procedure & Practice

On Tuesday, the **Criminal Procedure & Practice Subcommittee** met to consider 15 bills. HB 1695 by Representative Casada and HB 1202 by Representative Chumney were rolled for two weeks. HB 652 by Representative Stanley, HB 1293 by Representative Fowlkes, HB 1231 by Representative Windle, HB 847 by Representative Armstrong, HB 1594 by Representative West, HB 1641 by Representative West, HB 1245 by Representative Chumney, HB 1457 by Representative Chumney, and HB 1696 by Representative Casada were rolled for one week.

The **Criminal Procedure & Practice Subcommittee** sent the following four bills to the full committee:

- HB 543 by Representative Ferguson requires all nursing homes to conduct a criminal background check on any person who is employed as a direct care employee. The criminal background check would occur within seven days of employment. Any costs incurred by the TBI, professional background screening organization, law enforcement agency, or other legally

authorized entity may be paid by the nursing home, any agency that contracts with the state requesting such investigation or information, or the individual who seeks employment or is employed. The costs of conducting the criminal background check would be an allowable cost under the state Medicaid program, if paid for by the nursing home. The provisions of this bill would apply to any company, organization, or agency that provides or arranges for direct care staff to be employed in any licensed nursing home in the state.

- HB 296 by Representative Windle requires grand jury indictments to be presented to the court clerk and filed.
- HB 1784 by Representative Wood provides access to criminal histories to additional counties with populations over 100,000 for licensing and regulating persons who operate vehicles for hire or employ persons to transport members of the public. This bill would enable these counties to choose to disqualify someone for a license or permit or refuse to hire someone because of a specified criminal conviction. Applicants in these counties would supply fingerprints and undergo a criminal record investigation. The cost incurred by conducting the criminal record investigation would be paid by the government entity making the request. In addition to Davidson and Shelby counties, this bill would apply to Blount, Hamilton, Knox, Montgomery, Rutherford, Sullivan, Sumner, Washington, and Williamson counties.
- HB 2036 by Representative McMillan adds the commissioner of the department of human services to the victims of crime state coordinating council.

Constitutional Protections

On Tuesday, the **Constitutional Protections Subcommittee** met to consider 19 bills. This week's meeting was devoted to handgun and firearm legislation. The subcommittee opened the meeting with a presentation from the Department of Safety about the history of the state's handgun permit law. After the presentation, the subcommittee discussed handgun and firearm legislation. The subcommittee referred HB 1040 by Representative Rinks, as amended, to the full committee. HB 1040 includes vested correctional

clerical officers in the definition of "law enforcement officer" to authorize such individuals to carry firearms at all times.

HB 1603 by Representative West failed to pass out of the subcommittee. HB 997 by Representative Buttry was rolled for three weeks. The remaining bills on the calendar were rolled for one week. The **Constitutional Protections Subcommittee** plans to hear discussions and propose recommendations for the remaining handgun and firearm bills next week.

Civil Procedure & Practice

On Wednesday, the **Civil Procedure & Practice Subcommittee** met to consider 16 bills. HB 1916 by Representative Turner (Davidson) and HB 182 by Representative Turner (Davidson) were taken off notice. HB 1962 by Representative Garrett was rolled to the last calendar of the subcommittee. HB 1935 by Representative Bunch and HB 1937 by Representative Bunch were rolled for two weeks. HB 1063 by Representative Ferguson, HB 1974 by Representative McMillan, HB 2005 by Representative McMillan, HB 591 by Representative Pleasant, HB 189 by Representative Turner (Davidson), HB 1001 by Representative Johnson, HB 977 by Representative Bowers, and HB 171 by Representative Briley were rolled for one week.

The **Civil Procedure & Practice Subcommittee** sent the following bills to the full committee:

- HB 1727 by Representative Fowlkes extends the statute of limitations for securities fraud under the Tennessee Securities Act. Under this bill, an action may be maintained before the expiration of five years after the act or transaction constituting the violation or the expiration of two years after the discovery of the facts constituting the violation.
- HB 597 by Representative Coleman deletes the present law concerning fraudulent conveyances and devises and replaces these provisions with the Uniform Fraudulent Transfer Act. The provisions of this bill would update this area of the law. Similar statutes have been adopted in 41 states.
- HB 1018 by Representative Wood extends the provisions under the Educational Records as Evidence Act to include post-secondary institutions. Under this bill, post-secondary institutions would be authorized

to provide educational records as evidence in civil or criminal cases.

The Full Committee

On Wednesday, the **Full Judiciary Committee** met to consider ten bills. HB 1318 by Representative Turner (Hamilton) and HB 760 by Representative Todd were taken off notice. HB 779 by Representative Patton was rolled to 2004. HB 866 by Representative Brooks (Shelby) was rolled for two weeks. HB 558 by Representative Brooks (Shelby) and HB 559 by Representative Brooks (Shelby) were rolled for one week so that committee members can discuss issues relating to the codification and implementation of the Title VI compliance commission.

The following three bills were sent to **Calendar & Rules**:

- **HB 789** by Representative Fowlkes authorizes municipalities to dispose of any permanent paper records that have been photocopied, photostated, filmed, microfilmed, preserved by a microphotographic process, or reproduced onto computer or removable computer media. Also, this bill provides that a municipality may adopt reasonable rules and policies relative to the making, filing, storing, exhibiting, copying, and disposal of municipal records. The provisions of this bill would not prevent the public from viewing the records.
- **HB 1699** by Representative Odom, as amended, authorizes licensed chiropractors and physicians to purchase shares in a professional corporation and obtain membership in LLCs. Radiologists, pathologists, and anesthesiologists would not be authorized to purchase shares in a professional corporation or become members of a LLC.
- **HB 1039** by Representative Rinks transfers matters relating to probate or the administration of estates from the court clerk to the clerk in master in Hardin County.

The full committee sent **HB 584** by Representative Shepard to **Finance, Ways, & Means**. HB 584 moves gamma hydroxybutyric acid from a Schedule IV controlled substance to a Schedule I controlled substance. This statutory change would increase the offense for the manufacture, sale, delivery, or possession with intent to a Class B felony. Also, this bill would make the illicit use of FDA-approved gamma hydroxybutyric acid punishable as a Class B felony. This drug is known as the date rape drug.

Judicial Administration

The **Judicial Administration Subcommittee** did not meet this week because the only bill on the calendar was rolled. **HB 837** by Representative Head was rolled for one week.

State & Local Government

Lawrence Hall, Jr.

The Full Committee

The **State and Local Government full committee** passed **HB 1951**, by Rep. McMillan to Calendar and Rules. This bill allows certain municipalities that operate an electric plant to create a pilot project that will provide cable service within the county where the municipality is located. **HB 1678**, by Rep. S. Jones, is entitled "Professional Fire Department Employees Negotiation Act." This bill would allow fire departments across the state to self organize and negotiate through representatives with their governing bodies. This bill was passed to Finance, Ways, and Means. **HB 1636**, by Rep. West, was passed to Calendar and Rules. This bill requires municipalities to deduct membership dues for police associations if the membership in the association is at least 50% of the total number of employees that qualify for membership.

State Government Subcommittee

State Government subcommittee sent **HB 1249** by Rep. McMillan to full committee. This bill requires a person or entity that contracts with a member of the legislative or executive branch of government to consult for a fee, to file a disclosure with the Registry of Election Finance. The member of the legislative and executive branch of government receiving the fee must make the same disclosure. **HB 214**, by Rep. Turner (Davidson), was passed to full committee. This bill gives cash salary supplements to firefighters or police officers that have been placed on active military duty. **HB 0001**, by Rep. Newton, was also passed to full committee. This is the bill entitled the "Tennessee Education Lottery Implementation Law." The bill basically puts in place the corporation that will oversee the day to day operations of the state lottery. A number of amendments have been considered and are now moving forward to the full committee for further consideration.

Local Government Subcommittee

Local Government subcommittee passed one bill to full committee, **HB 1220**, by Rep. Turner (Davidson). This bill expands the present law authorizing monthly deductions of membership dues to include the police department.

Elections Subcommittee

Elections Subcommittee also passed one bill to full committee. **HB 1806**, by Rep. Rinks, creates the process for casting and counting provisional ballots. This is a federal government requirement.

Transportation

Greg E. Adkins

The Full Committee

The **Full Transportation Committee** met March 26, 2003 and considered ten bills. **HB 719** by Rep. Pinion was rolled one week. The amended bill would clarify that a motorist would get a traffic ticket at any time when speeding within a highway construction zone. Under current law, a motorist can only be fined when workers are present. The amendment recommends TDOT come up with new ideas to reduce the speed of motorists traveling in highway construction zones. **HB 1487** by Rep. Rowland passed to C&R; the bill clarifies that an out of state learner's permit is acceptable to get an intermediate driver license in TN if all of the state requirements are met. **HB 1819** by Rep. Johnson P. passed to C&R as amended. The amended bill would allow the use of continuously flashing brake light systems on motorcycles for up to five seconds after the brakes were applied. **HB 1177** by Rep. Montgomery passed to C&R. The bill designates the Tennessee Aviation Hall of Fame and affiliated Tennessee Museum of Aviation as the official state repository and archive for aviation history. **HB 1763** by Rep. Litz was rolled one week; the bill authorized the "Merchants/Green Boulevard" highway sign. **HB 1373** by Rep. Sharp was rolled one week. The bill limits specific service sign categories to *fuel* and *food* at Exit 1 on I-75 in Hamilton County.

The following highway sign bills passed to FW&M:

1. **HB 1029** by Rep. Rinks--"Jesse Glyne Brasher" sign.

2. **HB 1280** by Rep. Borchert--"L. Don Ridgeway By-Pass" sign.

The following license plate bills were passed to FW&M:

1. **HB 1685** by Rep. Montgomery--"TN Voluntary Firefighters" plate.
2. **HB 1946** by Rep. Hargrove--"NASCAR" plate.

Public Safety & Rural Roads

The **Public Safety & Rural Roads Subcommittee** met on March 25, 2003 and considered seven bills. **HB 564** by Rep. Brooks was rolled one week; the bill prohibits a motorist from using a handheld cell phone while driving, but allows a hands free cell phone to be used. The bill also creates rebuttable presumption that the cell phone usage caused or contributed to an accident. **HB 819** by Rep. Pinion passed to full committee as amended. The amended bill would require an individual acquiring a drivers license from the Department of Safety to either have a Social Security Number, or an ITIN # and legal presence. **HB 1054** by Rep. McCord passed to full committee; the bill would allow a motorcycle to stop at a traffic light and if the vehicle detection device doesn't trigger the light to change, then, with due caution, the motorcyclist can proceed through the red light. **HB 952** by Rep. Tidwell passed to full committee. Present law requires all persons driving or riding a motorcycle to

wear a *crash* helmet that is approved by the National Highway Transportation Safety Administration (NHTSA). The bill would only require the driver or the rider to wear a *motorcycle* helmet. The bill would also exempt persons 21 years of age and older from wearing a helmet while riding a motorcycle; present law requires everyone to wear a crash helmet at all times. **HB 1742** by Rep. Fitzhugh was rolled two weeks. The bill revises requirements for county vehicle registration. **HB 874** by Rep. Johnson R. was passed to full committee; the bill authorizes the Department of Safety to issue judiciary plates for motorcycles. **HB 1050** by Rep. McCord was taken off notice. The bill prohibited tractor-trailers on US Highway 321 from Sevier/Blount County line to Little River.

Public Transportation & Highways

The **Public Transportation and Highways Subcommittee** met on March 26, 2003 and considered two bills. **HB 1486** by Rep. Rowland passed to full committee. The bill authorizes the issuance of Girl Scouts new specialty earmarked license plates. **HB 1747** by Rep. Harwell passed to full committee. The bill empowers CSX to abandon railroad right-of-way in Davidson County for the purpose of clearing up title to the real property.

Week Of March 31st:

Budget Hearings:

**April 1st - Tennessee Regulatory Authority
Secretary of State**

April 2nd - K-12

State Board of Education

**April 3rd - Higher Education Commission (THEC)
University of Tennessee
Board of Regents (TBR)
Student Assistance Corporation (TSAC)**

The Budget Hearings

- 
- General Services
 - Revenue
 - Economic & Community Development
 - Homeland Security
 - Safety
 - TN Bureau of Investigation
 - Post Conviction Defender
 - Treasury

General Services

Lawrence Hall, Jr.

Research Analyst, State and Local Government Committee

On March 19, 2003 the Department of General Services presented its budget for the 2003-2004 fiscal year to the House Finance, Ways, and Means Committee. Commissioner Gwendolyn Davis, Fiscal Director Tommy Chester, Deputy Commissioner Ed Jones, and Assistant Commissioner Dennis Johnson represented the department.

The Department of General Services acts as a support organization for other state departments and agencies. It provides support through administrative services, property management and utilization services and interdepartmental support services.

Commissioner Davis gave opening remarks and an overview of the department's budget. The Commissioner stated that the **proposed budget for the department is \$87,323,200**, which reflects the Governor's objective of reducing the department's budget by 9%. The department reduced actual state dollars by \$1.9 million. The following chart reflects the reductions implemented by the department to meeting the Governor's objective. Commissioner Davis testified that the department would be able to operate efficiently with the proposed deductions.

Reductions	Amount
-Abolish 37 vacant full-time positions and 5 vacant part-time positions.	\$1,126,000
-Reduce travel and training	12,500
-Reduce use of pagers/telephones/cell phones/reduce printing/ copy machines.	36,300
-Reduce vehicles	19,300

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Department of General Services, continued

(Reductions, continued)

-Defer computer/equipment replacements	124,000
-Reduce operational supplies	561,000
-Eliminate maintenance on out-dated equipment	32,200
-Reduce vehicle maintenance in anticipation of reduced fleet	198,900
-Reduce postage by use of INTERNET for bid solicitations	10,000
Total	\$2,120,200

Department of Revenue

Cathy Higgins

Research Analyst, Finance, Ways and Means Committee

Commission Loren Chumley presented the committee with the Department's Fiscal Year 2003-04 budget on Wednesday, March 19, 2003. The Department's **total budget request for fiscal year 2003-04 is \$59,287,000** of which \$41,402,600 represents state appropriation. The remaining \$17,884,400 represents "other" dollars. Overall, this represents a reduction of over \$5 million from fiscal year 2002-03 estimated total budget of \$64,385,900.

Commissioner Chumley advised the committee that the Department's state appropriated budget was reduced 10.4 percent to comply with Governor Bredesen's 9 percent reduction request. However, she emphasized that the reductions chosen will have minimal impact on personnel, technology enhancement, and citizens.

Department of Revenue Reductions	Amount
Eliminate 19 vacant positions	\$ 669,000
Limit information systems projects	1,473,900
Eliminate Phase II of the Motor Fuel Project	510,000
Eliminate Imaging Project	243,800
Limit tax return scanner software upgrades and improvements	247,300
Reduce services by the Office of Information Resources	349,300
Reduce personal computer and peripherals replacement	170,800
Reduce Travel, Printing, Training, Communication and LAN/WAN costs	410,700
Reduce Overtime	20,000
Total Reductions	\$4,094,800

The Department is reevaluating all contracts and how the Department is doing business. In some instances, the Department has chosen to hire in-house personnel rather than continue with some contract services.

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Department of Revenue, continued

Commissioner Chumley let the members know that the number of vacant positions, for the most part, reflect additional positions approved by the General Assembly for the implementation of "Tax Reform Act of 2002" (Public Chapter 856) that were never filled.

In 2002 the General Assembly passed into law the "Tennessee Governmental Accountability Act of 2002" which requires the commissioner of finance and administration to develop a schedule for including state agencies within performance-based budgeting and review. The Department of Revenue has been selected as one of the initial agencies and is in the process of redoing their performance measures and strategic plan to conform to the legislation.

Department of Economic and Community Development

Cathy Higgins

Research Analyst, Finance, Ways and Means Committee

Commissioner Matt Kiser presented the Department's budget to the Committee on Wednesday, March 19, 2003. The Department's **total budget request for fiscal year 2003-04 is \$78,469,600** of which \$30,975,500 is state appropriations; \$34,797,100 is federal dollars; and \$12,697,000 is other dollars. The Department has one improvement request included in the Governor's proposed budget for \$1,500,000. This improvement request will provide funds to match a \$3,000,000 National Science Foundation grant to the Tennessee Technology Development Corporation. The grant will support efforts to improve Tennessee's research and development competitiveness.

The mission of the Department is to foster higher-paying, better skilled jobs for all Tennesseans. To accomplish this end, the Department is taking a more business-like approach to how they do business. This includes thinking more strategically and encouraging proactive leadership throughout the Department. The Department met Governor Bredesen's request to reduce state appropriated dollars by 9 percent. Commissioner Kiser stated that the changes are manageable and do not compromise the Department's ability to recruit jobs and foster economic growth.

Reductions	Amount
Bringing advertising/creative services in-house	\$ 1,221,200
Limiting staff travel	195,500
Reducing the number of outside marketing consultants, and bringing the responsibilities in-house	155,000
Reducing conference expenditures	100,000
Cutting Tennessee Technology Development Corporation funding by 9 percent commensurate with the across-the-board departmental cuts	54,000
Reducing printing	75,000
Reducing purchases of office equipment	50,000
Abolishing one vacant position - Film Commission	24,400
Abolishing one vacant position - Existing Industry	27,500
Reducing support for Small Business Development	18,000
Total Reductions	\$1,920,600

Department of Economic & Community Development, continued

In addition to the Department's base budget reductions, the Governor requested that state appropriations for grants also be reduced by 9 percent. Therefore, funding for the Tennessee Industrial Infrastructure Program (TIIPs) and the Development District Grants were reduced \$900,000 and \$94,500, respectively. Collectively, the savings to the general fund by the Department total \$2,915,100.

Commissioner Kisber also advised the committee that all existing contracts with outside interests would be reassessed.

Homeland Security

Judy Narramore

Research Analyst, Health & Human Resources

On Thursday, March 20, 2003, Major General Jerry Humble appeared before the Finance, Ways & Means Committee to present the budget for the Office of Homeland Security. **The budget request for FY 2003-04 is \$777,700.** The governor has requested an improvement of \$3,000,000 to establish a *homeland security emergency fund* to provide funding in the event of an emergency for the security of state property, buildings, and personnel, as well as additional operating costs resulting from homeland security needs. These funds will be allocated to the agencies only when circumstances require it, upon approval of the Commissioner of Finance and Administration and the Director of Homeland Security.

There are no contract personnel in the Office of Homeland Security. Budget cuts for FY 2003-04 came in the form of new hire positions, which remain unfilled. General Humble described a "task force" approach to staffing the Office of Homeland Security, i.e., personnel from other state and federal agencies are being assigned to homeland security.

The goal of the Office of Homeland Security is to implement a balanced *prevent, protect, and respond* program, according to General Humble. Toward that end, homeland security will work closely with local cities, towns, and communities to improve coordination, information flow, communications, and equipment compatibility at the local levels. By partnering with local authorities, the Office of Homeland Security will be more aggressive in prevent and protect planning, training, evaluation, and operations that will strengthen Tennessee's security.

Support from some local cities and specific language in the federal 2003 homeland security funding will allow the Office of Homeland Security to establish three regional homeland security offices this summer and remain within the governor's budget guidelines. One regional office will be located in each grand division of the state and outside of a major metropolitan city. General Humble emphasized that regionalization must occur in the rural areas in order to have adequate capabilities to respond rapidly in the event of an emergency.

Department of Safety

Greg Adkins

Research Analyst, Transportation

Fred Phillips, the Commissioner of the Department of Safety, presented the House Finance Committee the department's budget and proposed cuts on Thursday, March 20, 2003. The recommended budget for Fiscal Year 2003-2004 will enable the department to provide the statutorily mandated law enforcement, driver licensing, titling and registration services for the citizens of Tennessee. Next year the department will implement performance based budgeting practices.

The budget reflects reductions of 9.1% in state appropriations totaling (\$9,990,700). The following areas will be cut:

1. Staffing and Operations--(\$4,557,100)

Abolish 68 full time and seven part-time positions; eliminate temporary service contracts, reduce overtime, travel supplies and equipment.

2. Homeland Security--(\$3,546,000)

Reduce overtime funds budgeted for Homeland Security.

3. Roving Crews--(\$907,500)

Eliminate funding for driver license roving crews that travel in rural areas to assist citizens in obtaining a driver's license. This reduction includes the elimination of 41 vehicles from the department's fleet.

4. Commercial Vehicle Driver Background Checks--(\$300,000)

Eliminate funding for background checks on commercial vehicle driver license applicants.

5. Maintenance--(\$49,000)

6. Police Pay Supplements--(\$631,100)

Reduce funding for the police pay supplements by 9 percent.

Total Cuts--\$9,990,700

Department of Safety Recommended Improvements--\$9,389,300

1. Homeland Security--\$4,641,500

Provides funds for security systems at driver's license stations, Highway Patrol regional offices, impound lots, and commercial vehicle weigh stations. Also includes funding for the replacement of one irreparable helicopter and emergency power generators.

2. Day Care Pupil Transportation--\$490,600

8 additional positions for additional workload required by DHS. Under new rules, all vehicles that transport children to and from daycare facilities must pass annual safety inspections beginning January 1, 2004.

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Department of Safety *(Recommended Improvements, continued)*

3. Titling and Registration--\$4,100,000

Dedicated by statute motor vehicle registration fees to fund start-up costs of the new TRUST computer system.

4. Police Pay Supplement--\$157,200

Funding for additional police pay supplements as required by Tenn. Code Ann. 38-8-111.

Total Improvement Request--\$9,389,300

The operational budget in FY 2002/03 was \$167,047,400. The **budget was reduced to \$163,186,300** for FY 2003/04, representing an actual base budget reduction of 2.31% after improvements.

The Governor's budget also includes a capital improvement request of \$950,000 to construct in Williamson County a Franklin Drivers License Center. Funding for this improvement will come through the Facilities Revolving Fund.



Members pose questions at the budget hearings.

Tennessee Bureau of Investigation

Paige Edwards

Research Analyst, Judiciary Committee

Mr. Larry Wallace, director of the Tennessee Bureau of Investigation (TBI), addressed the Finance Committee on Thursday, March 20, 2003. Mr. Wallace presented the committee with 9.1% cuts for the 2003-2004 fiscal year. The cuts made by the TBI would amount to a budget reduction of \$2,393,000. The cuts would be made in the following areas:

TBI, continued (Cuts)		
Division	Operational Reductions	Total Amount Cut from the Division
Criminal Investigations Division	Abolish 13 full-time positions, including 10 special agents, 2 law enforcement information coordinators, and 1 administrative support position; reduce travel, supplies, and other operational costs within the division.	\$736,500
Operations/Administration/Weapons Qualification/Miscellaneous	Eliminate cellular service to all TBI personnel, but maintain a pool of phones that can be issued to agents as needed. Reduce payroll costs, postpone computer replacement, cancel subscriptions for various legal journals and other periodicals, and reduce other operational costs. Abolish 3 full-time administrative positions and reduce operational supplies related to these positions. Reduce to 1 annual weapons qualification session per agent.	\$ 651,700
Information Systems Division	Abolish 16 full-time technical positions. Reduce travel, supplies, and other operational costs related to these positions.	\$584,800
Forensic Services Division	Eliminate funding for both the Chattanooga and Jackson regional laboratories. Abolish 2 full-time forensic scientist positions.	\$217,800
Drug Investigation Division	Abolish 3 full-time positions, including 2 special agents, and 1 support position. Reduce the number of vehicles in the TBI fleet, travel, and other operational costs.	\$202,200
Grand Total of Estimated Budget Cuts		\$2,393,000

The Department's **total budget request for fiscal year 2003-04 is \$41,263,600** of which \$24,933,700 are state funds. The remaining dollars are federal (\$7,472,300) and other (\$8,857,600). The Department's budget does not include any improvement request for the coming fiscal year.

Mr. Wallace detailed the impact of these reductions. The combined budget reductions from the Criminal Investigations Division and the Drug Investigation Division will hamper the TBI's ability to provide investigative support to law enforcement in the state. Specifically, the elimination of positions from these divisions will adversely affect investigations for worker's fraud, illegal drugs, and criminal intelligence. The TBI is most concerned with the limited manpower that will be available when methamphetamine labs are discovered in the state. Also, the budget reductions in these divisions has resulted in a reduction of 13 undercover vehicles in the TBI fleet and in a reduction of confidential funds that are used in illegal drug investigations. Moreover, Mr. Wallace stated that Tenn. Code Ann. 38-6-102 and Tenn. Code Ann. 50-6-127 should be repealed because the budget reductions will not provide resources for the TBI to pursue workers' compensation fraud cases.

TBI, continued

General operational and administrative reductions include adjusting salary and benefits equity that will reduce the amount of equity available in the Bureau's employee salary and benefits categories. Also, the TBI plans to discontinue the use of General Services mail services to reduce postal costs. Likewise, the TBI has increased the computer replacement cycle from three to four years to reduce the annual computer replacement costs. Furthermore, Mr. Wallace emphasized that the reduction in weapons qualification from two to one annual session would not adversely affect the TBI's accreditation.

The reduction of positions from the Information Systems Division will require additional duties to be assigned among the remaining staff in the Technical Systems Support Unit, Records and Identification Unit, Criminal Statistics Unit, and Law Enforcement Support Unit. Additionally, duties have been reassigned to the remaining staff in order to compensate for the elimination of statistical analysts, fingerprint specialists, and data processing operators.

Mr. Wallace discussed the intended impact of closing the crime laboratories in Chattanooga and Jackson. In effect, closing these facilities will require the personnel and casework to be reassigned to the existing TBI crime laboratories in Nashville, Knoxville, and Memphis. Closing these laboratories has created a tremendous burden on the personnel who have to relocate. Mr. Wallace emphasized that the elimination of two forensic scientist positions from the Forensic Services Division will have a greater negative impact than the closing of the laboratories. Without these positions being filled, the overall output from the Forensic Services Division may be affected.

Note: The TBI employs contract employees who provide data entry services to the Tennessee Instant Check Unit. This unit provides background checks on persons attempting to purchase a firearm or handgun. The contract employees are temporary and are utilized during peak periods. The use of these contract employees resulted in saving \$38,300 during 2002.

Office of Post-Conviction Defender

Paige Edwards

Research Analyst, Judiciary Committee

On Thursday, March 18, 2003, the House Finance, Ways & Means Committee heard a budget presentation from Mr. Donald E. Dawson, Office of the Post-Conviction Defender. Governor Bredeson did not impose a 9% cut for this office because of the statutory requirements to represent individuals who are sentenced to death. The Governor's budget recommends **\$1,061,300 for Fiscal Year 2003-04** and is same as this year's budget. Mr. Dawson stated that the budget appeared to grant \$204,000 in improvements to the Office of the Post-Conviction Defender, but this amount only reflects state money that has been used to fund items that were listed as federal funds. With this budget, Mr. Dawson expects the office to continue with its 12 person staff. Nonetheless, Mr. Dawson emphasized that the caseloads are approaching the point at which the Office of the Post-Conviction can no longer handle without increasing the staff.

Mr. Dawson explained to the committee that the services provided by the Office of the Post-Conviction Defender are required by statute and the work of the office is driven by caseload. He demonstrated that private attorneys have been hired to handle some of the death sentence cases. The cost of hiring outside help costs between \$35,000 and \$65,000 that are roughly the equivalent to the annual cost of one attorney in the office.

Office of Post-Conviction Defender, continued

Mr. Dawson believes that the proposed budget for the Office of the Post-Conviction Defender for the 2003-2004 fiscal year is the minimum that would allow for present cases and cases that will arise in the coming months.

Also, Mr. Dawson stated that the Office of the Post-Conviction Defender has one contract for desktop computer support. The contract calls for service on an as-needed basis at the rate of \$35.00 per hour. The cost of this contract is anticipated to be equivalent to the cost of using a part-time employee. There may be a small savings under the contract because the state does not pay the employer's share of social security or FICA. This task requires unique expertise that cannot be handled by any present employee.

Treasury Department

Cathy Higgins

Research Analyst, Finance, Ways and Means Committee

Treasurer Steve Adams presented the Department budget request for fiscal year 2003-04. Mr. Adams noted that the Governor fully funded the Department's request and that it contains no improvements.

The Treasurer is responsible for various duties relating to the financial operations of state government; including the following:

- Administers the Tennessee Consolidated Retirement System.
- Manages the State Pooled Investment Fund, which includes the state's cash, reserves, trust funds, and the Local Government Investment Pool.
- Oversees the Deferred Compensation Program and the Flexible Benefit Plan.
- Administers the Baccalaureate Education System Trust.
- Oversees the Claims Commission which awards claims in cases of employee negligence and in cases of state employee workers' compensation claims, contract actions, and tax recovery.

However, the Department did meet the budget reduction requests of the Administration. The Department's **total budget request for fiscal year 2003-04 is \$16,392,400** of which \$136,000 are state dollars. The remaining dollars are "other" dollars. To accomplish this reduction the funding mix for Treasury was altered by transferring the revenue source for administration of the Deferred Compensation Plan from state appropriation to current services (other dollars). Current services will take the form of rebates from the current contracted third party administrator. This will result in direct savings to the general fund of \$90,600.

The Treasurer administers the Certified Public Administrators Program, an educational incentive payment program for certain county officials who complete the advanced level of a three-level certificate-training program. The program provides a salary supplement for local officials who complete the course of job training offered by the University of Tennessee. During FY 2001-02, 256 officials received a \$210 incentive payment. It is estimated that in FY 2002-03 the payment will be around \$200. In budgetary actions the Governor recommended a reduction to the appropriation for Certified Public Administrators of 9 percent (\$5,400) resulting in a total recommended appropriation of \$54,800. This will reduce the incentive payment to around \$175.